

NEW WITHHOLDING TABLE

*How
the New
Social Security
Law
Affects Your
Withholding*

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How the New Social Security Law Affects You

Congress has enacted major changes in the Social Security Law, providing for a general increase of about 7% in Social Security Benefits . . . granting a series of new Dependency Benefits that did not exist under the old law . . . and lowering requirements for benefit eligibility in many instances.

The new law gives a proportionate increase in benefits to women workers, and men employees' wives, who decide to claim retirement benefits before age 65 . . . and raises the maximum amount of Family Benefits from \$200 to \$254 monthly.

The new law allows dependent parents of a deceased worker to receive benefits along with his surviving widow or child . . . extends benefits to dependents of disabled workers for the first time . . . and permits many persons who remarry to claim benefits formerly denied them.

Under the new law higher monthly earnings are permitted during retirement without loss of monthly benefits . . . eligibility requirements for Disability benefits have been eased . . . and payments to disabled workers are no longer reduced by the amount of other disability payments they receive, such as State Workmen's Compensation Benefits.

2½% Social Security Tax

On January 1, 1959, under the new law, the Social Security Tax which both you and your employer are required to pay on your earnings is increased ¼ of 1%, from the present 2¼% rate to 2½%, to help pay for the general increase in Social Security Benefits.

But in addition, starting in 1959 under the new law, the first \$4,800 of wages paid you during the year will be subject to Social Security Tax—and will count toward your future benefits—instead of the first \$4,200 as was the case in 1958. At the new 2½% rate the maximum increase in employer's and employee's tax would be \$25.50 on earnings of \$4,800 or more. The Table on the reverse side shows how much Social Security Tax will be withheld each pay day in 1959 on wages up to \$180.

Your Increased Benefits

The new law provides for a three-way increase in Social Security Benefits starting in January, 1959:

1. For persons now receiving benefits, and for employees now working who will become eligible for benefits during the next few years, the new law provides an increase of about 7% over the benefit levels prevailing in the old law. A minimum increase of at least \$3 in monthly benefits is provided for retired workers,

with monthly payments ranging from \$33 to \$116, as compared with \$30 to \$108.50 under the old law. The following figures compare the monthly benefits of a retired worker at age 65, under the old and new laws:

	Average Monthly Wage			
	\$100	\$200	\$300	\$350
Old Benefit	\$55.00	\$78.50	\$98.50	\$108.50
New Benefit	59.00	84.00	105.00	116.00

2. For employees who become eligible for benefits in future years, and whose Average Monthly Wage will be affected by the increase in the taxable wage base to \$4,800 yearly, the new law will provide a further increase in retirement benefits ranging up to \$127 monthly, although it will be a number of years before anyone can qualify for the maximum payment.

3. Since your Family's Benefits are based on a fixed percentage of your own Monthly Benefit, a proportionate increase in your dependent's and survivor's benefits will result from the approximate 7% increase in your own benefit on which they are based. The new law raises the maximum amount of Family Benefits, payable to a single family, from \$200 to \$254 monthly.

The Table at the right shows Retirement, Disability and Survivor's Benefits at selected earnings levels, payable under the new law.

MONTHLY RETIREMENT, DISABILITY AND SURVIVOR'S BENEFITS

(AFTER 1958)

Average Monthly Wage* After 1950	Retired Worker Age 65, Disabled Worker Age 50	Retired Couple (Wife Age 65)	S U R V I V O R S			
			Widow, Widower, Child, or Parent	Widow and 1 Child, or 2 Parents	Widow and 2 Children	Lump-sum Death Payment
\$100	\$59.00	\$88.50	\$44.30	\$88.60	\$88.60	\$177.00
150	73.00	109.50	54.80	109.60	120.00	219.00
200	84.00	126.00	63.00	126.00	161.60	252.00
250	95.00	142.50	71.30	142.60	190.10	255.00
300	105.00	157.50	78.80	157.60	210.20	255.00
350	116.00	174.00	87.00	174.00	232.00	255.00
400**	127.00	190.50	95.30	190.60	254.00	255.00

* After "Drop-out" of up to 5 years of lowest (or no) earnings.

** Average monthly earnings over \$350 will not be possible before the end of 1959.

Women's Benefits Before 65

A proportionate increase in benefits, under the new law, will go to women workers, and retired workers' wives, who choose to take a lesser amount of benefits by starting their retirement payments before age 65. Such payments are based on a fixed percentage of the full retirement benefit, increased by approximately 7% under the new law, they would receive if they waited until age 65 to claim retirement benefits.

The Table at the right gives some examples of increased retirement benefits for women who start their benefits at age 62, 63, and 64.

New Dependency Benefits

DISABLED WORKERS' DEPENDENTS. For the first time the new law extends benefits to the dependents of a Disabled Worker. As soon as a disabled worker begins to receive Disability Benefits from age 50 on, his dependents can also receive benefits like those now provided for the dependents of retired workers.

PARENTS' BENEFITS. Under the old law, the dependent parent of a deceased worker could not receive survivor's benefits if a widow, widower, or child entitled to benefits survived the worker. The new law now permits surviving parents (father at age 65; mother at age 62) to receive benefits under such circumstances.

PERSONS WHO REMARRY. Under the Social Security Law, if a person entitled to dependent's or survivor's benefits marries, she automatically loses such benefits. The new law permits her to become eligible immediately for benefits she may be entitled to on her new husband's earnings record.

Similarly, under the old law, when one beneficiary entitled to dependent's or survivor's benefits married another such beneficiary (for instance, the dependent parent of one worker and the widow of another), both beneficiaries automatically lost their benefits. The new law provides for continuing the payment of benefits to both parties.

Disability Payment Changes

Disabled persons will now be paid their full social security disability benefits, even if they also get State Workmen's Compensation benefits or some type of disability payments from the Federal Government. Under the old law, social security disability benefits were reduced by the amount of such other payments.

Disability Benefits can now be paid retroactively (like all other benefits now provided) for as much as 12 months before the application for benefits was filed—provided, of course, the disabled worker has met the requirements for eligibility in all the months for which back payments are made.

Work Requirements Eased

To be eligible for disability benefits at age 50, or to have his social security record "frozen" before reaching 50, to protect his future benefits, a disabled worker until now had to meet two work requirements: (1) he must have worked under social security for at least 5 out of the 10 years before becoming disabled; and (2) at least a year and a half of his work under social security must have been during the 3 years just before he became disabled.

Under the new law he no longer has to meet the second requirement for a year and a half's work during the 3 years before his disability.

Relatives Receiving Benefits

For any member of your family now receiving benefits, the benefit increase will automatically be added to benefit checks for months from January, 1959 on. But it will be necessary for any relative who becomes entitled to the new dependency benefits described herein to make application for such benefits.

The Social Security Law permits a retired person under age 72 to earn up to \$1,200 in a year without loss of benefits. If he earns more than \$1,200 in a year the new law provides that he will not lose a monthly benefit for any month in which he did not earn wages of more than \$100—instead of \$80, as under the old law—regardless of total earnings.

Basis of Your Benefits

Your Social Security Benefits are primarily based on your "Average Monthly Wage." An employee's Average Monthly Wage is found by dividing the taxable wages he received during a period of time designated in the law—from January 1, 1951, to January 1 of the year he retires or dies—by the number of months in that period.

The first \$3,600 of wages earned in each year can be counted for 1951, 1952, 1953 and 1954. The first \$4,200 earned can be counted for 1955, 1956, 1957 and 1958. The first \$4,800 earned in each year can be counted for years from 1959 on.

If you've worked 5 years or more in employment covered by Social Security, up to 5 years of lowest earnings—or no earnings—can be omitted from your earnings record, in order to give you the highest possible wage base for computing your benefit. But your Average Monthly Wage cannot be based on a period of less than 18 months in any case.

The Social Security Administration assumes full responsibility for computing your benefits on the basis most favorable to you. The new law sets up a consolidated benefit table, replacing the benefit formulas used in the old law, for determining the amount of your benefits based on your Average Monthly Wage.

How You Qualify

Qualification for Social Security Benefits is determined by the number of "Quarters of Coverage" you have accumulated. A Quarter of Coverage is any calendar quarter during which you worked in employment covered by Social Security and earned at least \$50 over the three month period.

To qualify for Retirement Benefits for yourself and your family, you must have reached retirement age (man 65, woman 62) and be "fully insured." You are fully insured if you have to your credit at least one Quarter of Coverage for every two calendar quarters that have gone by between January 1, 1951, and the calendar quarter in which you reach retirement age or die. Quarters of Coverage you have earned at any time after 1936 can be counted. When you have 40 Quarters of Coverage, you are fully insured for life.

If you are fully insured, eligible members of your family will be entitled to Survivor's Benefits if you die. Even if you are not fully insured at death, but are survived by an unmarried child (or children) entitled to benefits, in that event your child and your Widow, too (regardless of age) can receive Survivor's Benefits if you are "currently insured." You are currently insured, generally speaking, if you have worked a year and a half in covered employment during the last three years of your life.

Your Family Benefits

When you retire or die, members of your family who qualify can also receive monthly benefits, which are based on a percentage of your own Monthly Benefit. The maximum Family Benefits payable under the law cannot exceed \$254 monthly.

When you retire, monthly benefits are payable to your Wife at age 62 (or at any age with child entitled to benefits)—or to your Husband at age 65, if you are his chief support—and to your Children, as long as they are under 18 and unmarried (or any age if disabled).

If you die, monthly benefits are payable to your Widow at age 62 (or at any age with child entitled to benefits)—or to your Widower at age 65, if you were his chief support—to your Children, as long as they are under 18 and unmarried (or any age if disabled)—and to your dependent Parents (Father at age 65; Mother at age 62). A lump-sum Death Payment, equal to three times your Monthly Benefit, but not exceeding \$255, is payable to your Widow, but only if you were living with her in the same household, or if she paid your burial expenses. The same requirement must be met by the widower of a woman worker.

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2 1/2% SOCIAL SECURITY TAX WITHHOLDING TABLE

EFFECTIVE JANUARY 1, 1959

Wages to and Including Is	Wages to and Including Is	Tax Is	Wages to and Including Is	Tax Is	Wages to and Including Is	Tax Is	Wages to and Including Is	Tax Is	Wages to and Including Is	Tax Is
\$30.19	2 1/2%		\$ 60.19	\$1.50	\$ 90.19	\$2.25	\$120.19	\$3.00	\$150.19	\$3.75
30.59	.76		60.59	1.51	90.59	2.26	120.59	3.01	150.59	3.76
30.99	.77		60.99	1.52	90.99	2.27	120.99	3.02	150.99	3.77
31.39	.78		61.39	1.53	91.39	2.28	121.39	3.03	151.39	3.78
31.79	.79		61.79	1.54	91.79	2.29	121.79	3.04	151.79	3.79
32.19	.80		62.19	1.55	92.19	2.30	122.19	3.05	152.19	3.80
32.59	.81		62.59	1.56	92.59	2.31	122.59	3.06	152.59	3.81
32.99	.82		62.99	1.57	92.99	2.32	122.99	3.07	152.99	3.82
33.39	.83		63.39	1.58	93.39	2.33	123.39	3.08	153.39	3.83
33.79	.84		63.79	1.59	93.79	2.34	123.79	3.09	153.79	3.84
34.19	.85		64.19	1.60	94.19	2.35	124.19	3.10	154.19	3.85
34.59	.86		64.59	1.61	94.59	2.36	124.59	3.11	154.59	3.86
34.99	.87		64.99	1.62	94.99	2.37	124.99	3.12	154.99	3.87

35.39	.88	65.39	1.63	95.39	2.38	125.39	3.13	155.39	3.88
35.79	.89	65.79	1.64	95.79	2.39	125.79	3.14	155.79	3.89
36.19	.90	66.19	1.65	96.19	2.40	126.19	3.15	156.19	3.90
36.59	.91	66.59	1.66	96.59	2.41	126.59	3.16	156.59	3.91
36.99	.92	66.99	1.67	96.99	2.42	126.99	3.17	156.99	3.92
37.39	.93	67.39	1.68	97.39	2.43	127.39	3.18	157.39	3.93
37.79	.94	67.79	1.69	97.79	2.44	127.79	3.19	157.79	3.94
38.19	.95	68.19	1.70	98.19	2.45	128.19	3.20	158.19	3.95
38.59	.96	68.59	1.71	98.59	2.46	128.59	3.21	158.59	3.96
38.99	.97	68.99	1.72	98.99	2.47	128.99	3.22	158.99	3.97
39.39	.98	69.39	1.73	99.39	2.48	129.39	3.23	159.39	3.98
39.79	.99	69.79	1.74	99.79	2.49	129.79	3.24	159.79	3.99
40.19	1.00	70.19	1.75	100.19	2.50	130.19	3.25	160.19	4.00
40.59	1.01	70.59	1.76	100.59	2.51	130.59	3.26	160.59	4.01
40.99	1.02	70.99	1.77	100.99	2.52	130.99	3.27	160.99	4.02
41.39	1.03	71.39	1.78	101.39	2.53	131.39	3.28	161.39	4.03
41.79	1.04	71.79	1.79	101.79	2.54	131.79	3.29	161.79	4.04
42.19	1.05	72.19	1.80	102.19	2.55	132.19	3.30	162.19	4.05
42.59	1.06	72.59	1.81	102.59	2.56	132.59	3.31	162.59	4.06
42.99	1.07	72.99	1.82	102.99	2.57	132.99	3.32	162.99	4.07
43.39	1.08	73.39	1.83	103.39	2.58	133.39	3.33	163.39	4.08

43.79	1.09	73.79	1.84	103.79	2.59	133.79	3.34	163.79	4.09
44.19	1.10	74.19	1.85	104.19	2.60	134.19	3.35	164.19	4.10
44.59	1.11	74.59	1.86	104.59	2.61	134.59	3.36	164.59	4.11
44.99	1.12	74.99	1.87	104.99	2.62	134.99	3.37	164.99	4.12
45.39	1.13	75.39	1.88	105.39	2.63	135.39	3.38	165.39	4.13
45.79	1.14	75.79	1.89	105.79	2.64	135.79	3.39	165.79	4.14
46.19	1.15	76.19	1.90	106.19	2.65	136.19	3.40	166.19	4.15
46.59	1.16	76.59	1.91	106.59	2.66	136.59	3.41	166.59	4.16
46.99	1.17	76.99	1.92	106.99	2.67	136.99	3.42	166.99	4.17
47.39	1.18	77.39	1.93	107.39	2.68	137.39	3.43	167.39	4.18
47.79	1.19	77.79	1.94	107.79	2.69	137.79	3.44	167.79	4.19
48.19	1.20	78.19	1.95	108.19	2.70	138.19	3.45	168.19	4.20
48.59	1.21	78.59	1.96	108.59	2.71	138.59	3.46	168.59	4.21
48.99	1.22	78.99	1.97	108.99	2.72	138.99	3.47	168.99	4.22
49.39	1.23	79.39	1.98	109.39	2.73	139.39	3.48	169.39	4.23
49.79	1.24	79.79	1.99	109.79	2.74	139.79	3.49	169.79	4.24
50.19	1.25	80.19	2.00	110.19	2.75	140.19	3.50	170.19	4.25
50.59	1.26	80.59	2.01	110.59	2.76	140.59	3.51	170.59	4.26
50.99	1.27	80.99	2.02	110.99	2.77	140.99	3.52	170.99	4.27
51.39	1.28	81.39	2.03	111.39	2.78	141.39	3.53	171.39	4.28
51.79	1.29	81.79	2.04	111.79	2.79	141.79	3.54	171.79	4.29

52.19	1.30	82.19	2.05	112.19	2.80	142.19	3.55	172.19	4.30
52.59	1.31	82.59	2.06	112.59	2.81	142.59	3.56	172.59	4.31
52.99	1.32	82.99	2.07	112.99	2.82	142.99	3.57	172.99	4.32
53.39	1.33	83.39	2.08	113.39	2.83	143.39	3.58	173.39	4.33
53.79	1.34	83.79	2.09	113.79	2.84	143.79	3.59	173.79	4.34
54.19	1.35	84.19	2.10	114.19	2.85	144.19	3.60	174.19	4.35
54.59	1.36	84.59	2.11	114.59	2.86	144.59	3.61	174.59	4.36
54.99	1.37	84.99	2.12	114.99	2.87	144.99	3.62	174.99	4.37
55.39	1.38	85.39	2.13	115.39	2.88	145.39	3.63	175.39	4.38
55.79	1.39	85.79	2.14	115.79	2.89	145.79	3.64	175.79	4.39
56.19	1.40	86.19	2.15	116.19	2.90	146.19	3.65	176.19	4.40
56.59	1.41	86.59	2.16	116.59	2.91	146.59	3.66	176.59	4.41
56.99	1.42	86.99	2.17	116.99	2.92	146.99	3.67	176.99	4.42
57.39	1.43	87.39	2.18	117.39	2.93	147.39	3.68	177.39	4.43
57.79	1.44	87.79	2.19	117.79	2.94	147.79	3.69	177.79	4.44
58.19	1.45	88.19	2.20	118.19	2.95	148.19	3.70	178.19	4.45
58.59	1.46	88.59	2.21	118.59	2.96	148.59	3.71	178.59	4.46
58.99	1.47	88.99	2.22	118.99	2.97	148.99	3.72	178.99	4.47
59.39	1.48	89.39	2.23	119.39	2.98	149.39	3.73	179.39	and
59.79	1.49	89.79	2.24	119.79	2.99	149.79	3.74	up	2 1/2%